HII Responds to Post-COVID World with Flexibility, Supply Chain Support



Sailors man the rails during the commissioning ceremony for the Arleigh Burke-class Flight III guided-missile destroyer USS Jack H Lucas (DDG 125) in Tampa, Florida Oct. 7, 2023.
CREDIT: Department of Defense | EJ Hersom

Shipbuilder HII (Booth 1323) has embarked on a range of efforts to improve its workforce, bolster the supply chain and boost its capital investments, HII President and CEO Chris Kastner said in a briefing on the eve of Sea-Air-Space 2024.

The company saw as far back as 2015 there would be significant demand for ships, but couldn't anticipate a worldwide pandemic that affected supply chains and the workforce, followed by rampant inflation, Kastner said.

"There's really unprecedented demand in shipbuilding right now

that we saw coming, and it has arrived," he said. "With Navy leadership … the industry has been getting after this since COVID started."

The company and its subsidiaries have been outsourcing some of the work they used to do, which helps bolster the supply chain, Kastner said. Since 2020, HII has helped create more than 200 new suppliers and outsourced 3.6 million hours of work.

It has also spent $450 million on workforce training and is providing new technology tools at its workforce, including artificial intelligence to help make its practices more efficient. "If we can use AI to improve our processes, we're going to do that," Kastner said.

Issues with shipbuilding came to the fore just this past week, as the preliminary results of a Navy shipbuilding study showed major programs are years behind schedule, including the first Columbia-class submarine and the future USS Enterprise aircraft carrier.

Advanced procurement is critical to avoiding such issues, Kastner said, one reason the shipbuilder has been pushing for a two-carrier buy for CVNs 82 and 83, similar with what was done for the future Enterprise (CVN 80) and Doris Miller (CVN 81), which were procured as a two-ship buy.

"We would like to get started in [20]26, potentially in 25 on the critical suppliers, in regard to 82," Kastner said. "There's no doubt that a two-ship buy with 80 and 81 really reduced the risk of 81. The risk we had on 80 was alleviated with 81."

As for the future USS District of Columbia, the first boat in the Columbia class, Kastner said it has a "very robust" risk management effort, "but you're going to have first-in-class issues. And couple that with a lot of green labor, that can yield to workmanship issues, and efficiency issues, and you

get potential schedule issues. It’s a first-of-class ship, and you’re rebuilding a workforce coming out of COVID.”

He noted that two shipbuilding programs involving HII are doing well, the LPD amphibious transport dock and DDG Flight III.

“What are the characteristics of those programs? Stable designs – and when the design changed it was very thoughtfully implemented, I’m talking about DDG Flight III – on time advanced procurement. Consistent workflow. All of those … and a really good core group of shipbuilders,” Kastner said.

Workforce Adjustments

“It’s a fact of life that you have a less experienced workforce than you had before, across the board. There’s significant loss of skill after covid. That’s been broadly understood, and it’s been a cross section of our talent base,” Kastner said.

That’s where HII is trying new things, including providing more flexibility for shipbuilders when they come in, including more time off early in the process. The company also has more programs to help their new hires enter the shipbuilding workforce.

“We used to just train them and send them out to a crew. Now, we train them, we bring their foreman in the training center and we put them out as a team. So, they have a framework and a cultural that they’re developing with their team, so they feel like they’re not alone when they go out into the shipyard,” he said.

HII is also recruiting from areas where people are likely to stay, according to data analytics. It is also using targeting incentives, where good performance and attendance lead to a boost in pay.